



STATE BOARD OF EQUALIZATION

September 16, 1965

Gentlemen:

This is in reply to your letter of September 10 regarding the application of sales tax with respect to ferric sulphate purchased by the City of "X" for use in the treatment of its water supply.

It is our understanding that "X" purchases ferric sulphate for use as a flocculant in treating water. Its functions and reactions when applied to water are substantially identical to aluminum sulphate, which has been regarded as purchased for resale when purchased for such use.

When ferric sulphate is applied to water, the iron ions combine with hydroxide ions in the water to form insoluble ferric hydroxide which settles out, trapping suspended impurities. The sulphate ions combine with the calcium ions in the water to form soluble calcium salts. The water of crystallization in the ferric sulphate combines with the treated water.

Inasmuch as the water of crystallization and the sulphate constituents comprise 72.5 percent of the ferric sulphate, and such constituents remain in the treated water as a component thereof, it is our opinion that ferric sulphate purchased for such purpose is resold with the treated water. Accordingly, sales of ferric sulphate for such purpose are exempt from sales tax.

Very truly yours,

George A. Trigueros
Associate Tax Counsel

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